

Honorable Scott Brown
59 Dirksen Senate Office Building
Washington, DC 20510

Honorable John Kerry
218 Russell Senate Office Building
Washington D.C. 20510

Honorable Michael Capuano
1414 Longworth House Office Building
Washington, DC 20515

Honorable Barney Frank
2252 Rayburn House Office Building
Washington, DC 20515

Honorable Bill Keating
315 Cannon House Office Building
Washington, DC 20515

Honorable Stephen Lynch
2348 Rayburn House Office Building
Washington, DC 20515

Honorable Edward Markey
2108 Rayburn House Office Building
Washington, DC 20515

Honorable James McGovern
438 Cannon House Office Building
Washington, D.C. 20515

Honorable Richard Neal
2208 Rayburn House Office Building
Washington, DC 20515

Honorable John Olver
1111 Longworth House Office Building
Washington, DC 20515

Honorable John Tierney
2238 Rayburn House Office Building
Washington, DC 20515

Honorable Niki Tsongas
1607 Longworth House Office Building
Washington, DC 20515

Dear Massachusetts Congressional Delegation,

We, the undersigned nonprofit organizations of Massachusetts, are concerned by reports that Congress is considering a cap or elimination of the itemized charitable deduction as part of a deal to avert the fiscal cliff. We urge you to protect this deduction—a unique and cherished incentive for Americans to invest directly in important community needs.

The nonprofit sector plays a central role in the social and economic vitality of the Commonwealth of Massachusetts. Our organizations educate and keep the citizenry healthy; care for the most vulnerable populations; and preserve the state's cherished historical, cultural and environmental resources. Nonprofits employ 16.7% of the workforce, or nearly 500,000 Massachusetts residents, and are responsible for \$250 billion in annual revenues.

Congress codified the strong American tradition of giving back to our communities in the tax code nearly a century ago, when it provided for deductions on charitable contributions in the Revenue Act of 1917. Now, as an April 2011 Gallup poll illustrated, 7 in 10 Americans oppose the elimination of the charitable tax deduction, regardless of whether the savings would be used to lower their taxes or reduce the deficit.

The charitable tax deduction maintains such broad support because it is the only incentive that provides not a personal benefit, but instead a mechanism to support critical community needs and generates considerable leverage on the federal government's investment. For every dollar that is deducted through the charitable giving incentive, nearly three dollars of

private spending go directly to schools, hospitals, social service organizations, museums, historical landmarks, open spaces and more.

It is clear that the charitable deduction works and that more people give—and give more—as a result. Dr. Martin Feldstein, a professor of economics at Harvard University and president emeritus of the National Bureau of Economic Research, estimates that without the charitable giving incentive, annual giving in the U.S. would drop 25 to 36 percent. He also states that the proposed cap could cost charities as much as \$7 billion a year in contributions.

The direct impact on nonprofits in Massachusetts would be devastating. According to the IRS, Massachusetts residents contributed \$4.3 billion in itemized charitable donations in 2010. 60 percent of those contributions were made by individuals with incomes greater than \$200,000. A national study, released last month by Bank of America, asked philanthropists, whose incomes were \$200,000 or more, whether their giving habits would change if the charitable giving deduction were eliminated. Nearly half (49 percent) indicated that they would decrease their giving, and 20 percent indicated that their contributions would “dramatically decrease.”

Charitable giving is the lifeblood on the nonprofit sector and any effort that would eliminate, reduce, or cap the tax value of charitable contributions will affect our ability to address critical needs in Massachusetts cities and towns. We urge you to protect and make clear your support for the charitable giving incentive.

Thank you for your continued work on behalf of the citizens of the Commonwealth.

Sincerely,

Ruth Bramson, CEO, Girl Scouts of Eastern Massachusetts
Julia Burgess, Executive Director, Martha's Vineyard Community Services
Jack Clarke, Director of Public Policy and Government Relations, Mass Audubon
Gregg Croteau, Executive Director, United Teen Equality Center
Russ Davis, Executive Director, Massachusetts Jobs with Justice
Juliana Field, Director of Development, Brain Injury Association of
Massachusetts
Anne-Marie Fitzgerald, COO, Reach Out and Read
Tim Garvin, Chair, Council of Massachusetts United Ways
Tim Garvin, CEO, United Way of Central Massachusetts
Paul Grogan, President and CEO, The Boston Foundation
Mary Gunn, Executive Director, Generations Incorporated
Emily Haber, CEO, Massachusetts Service Alliance
Rick Jakious, CEO, Massachusetts Nonprofit Network
Joe Kriesberg, President, The Massachusetts Association of Community
Development Corporations
Leslie Tarr Laurie MS, President and CEO, Tapestry Health
Beth Leventhal, Executive Director, Network LaRed
Steven M. Rothstein, President, Perkins School for the Blind
Lynn Margherio, Founder and CEO, Cradles to Crayons
Earl Martin Phalen, Founder, Summer Advantage USA

Earl Martin Phalen, Founder, The George and Veronica Phalen Leadership Academies

Jeff Poulos, Executive Director, Associated Grant Makers

Gunner Scott, Executive Director, Massachusetts Transgender Political Coalition

Sarang Sekhavat, Federal Policy Director, Massachusetts Immigrant and Refugee Advocacy Coalition

Kara Suffredini, Executive Director, MassEquality

Eric Thompson Esq., Executive Director, Earthen Vessels, Inc.

Michael Weekes, President and CEO, Massachusetts Council of Human Service Providers, Inc

Dave Welbourn, President and CEO, Essex County Community Foundation

Jim Wilde, Executive Director, Merrimack Valley Housing Partnership

Matt Wilson, Executive Director, MASSCreative